NOVEMBER 15, 1965

YOUTH IS KEYNOTE FOR FAO'S THIRD DECADE

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Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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NOVEMBER 15, 1965

On the 20th anniversary of the U.N. Food and Agriculture Organization focus is on the role of youth in combating world hunger (opposite page). These English students raised money by pushing a bedstead 50 miles. (All photos courtesy FAO.)

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From top: young people in the Netherlands launched "Operation 10 x 10" and collected $500,000 for the world campaign against hunger; farm youth in El Salvador learn about use of fertilizer; students in the Ivory Coast grow vegetables in a garden plot at school.

Youth Is Keynote As FAO Looks Forward To Its Third Decade

The United Nations Food and Agriculture Organization will observe its 20th anniversary when the 13th FAO Conference convenes in Rome this Saturday.

Originally composed of 42 nations, FAO's membership has expanded to 109. Its proposed budget for the next 2 years—at $47.5 million—is nearly five times the 1945 figure, but still modest in view of the overwhelming task of helping to feed a growing world.

As it enters its third decade, FAO is not looking back but forward. Last month, Director General B. R. Sen launched a Young World Appeal to enlist the energy, idealism, and imagination of youth everywhere to provide food for a world where more than half the population is under 25 years old.

This appeal asks that young people donate not money or food, but time—21 hours in the 21 weeks preceding March 12, 1966—to the struggle against hunger. The 21-week project period will be only the start of what FAO hopes will become a long-term commitment to improve agriculture, combat poverty, and increase food supplies.

Although the overall campaign is being coordinated by Freedom from Hunger Campaign committees in member nations, the individual projects are being worked out by the young people themselves.

Projects of the type suggested by FAO are underway in many countries. Young Indian farmers have established a network of agricultural clubs in which rural youth learn improved agricultural methods. In Madagascar, a 100,000-member organization covering 1,000 schools runs school gardens and canteens. French Catholic Scouts collected more than 140 tons of food and equipment for developing African countries, while in the United Kingdom, school curricula include freedom-from-hunger topics.

The current cornerstone in FAO's war against hunger, the World Food Program, will come up before the conference for review and extension. Established by resolution in 1961, the program—under the joint administration of the United Nations and FAO—aims to assist the economic and social progress of the developing nations through food contributions and agricultural aid.

Participation is voluntary for both donors and recipients. From July 1, 1964 to April 14, 1965, contributions totaled $93 million, 21 emergency food-aid operations were undertaken, and 104 projects for economic and social development were approved. A target for voluntary contributions in 1966-68 will be set at the conference.

The FAO Council, which handles FAO business between conferences, has suggested that the World Food Program be expanded to include larger-scale and different-type projects, such as food aid in connection with industrial projects and overall national development programs.

French GRAIN PRODUCTION Continues To Expand

BY IRA D. BRANSON
Grain and Feed Division, FAS

France this year harvested a record grain crop of 28.3 million metric tons, demonstrating once more its capacity for expanding grain output.

This 1965 crop was nearly double those of the early 1950's and was achieved largely through higher yields. During the past 10 or 12 years acreage has increased very little while wheat yields have risen from 25 to 46 bushels an acre and coarse grain yields from 0.6 to 1.2 metric tons.

French grain output is expected to expand even further in the years ahead, and this is a matter of considerable concern to the world's major grain exporters. The other members of the European Economic Community (EEC) also have cause for concern. France's grain capacity might prove to be a financial burden to the Community if large export subsidies are required when the Common Agricultural Policy becomes fully effective in 1967.

At that time, French grain prices are to rise to the level of the recently decided EEC Unified Grain Prices (UGP). No one doubts but that these new prices will attract added acreage, which France has but is currently using for other crops. The extent of this response, however, remains a subject of considerable speculation.

Studies foresee expansion

A study by the EEC Commission, published in 1962, concluded that with a 20-percent price increase, it would be technically possible to return to grain output 3.7 to 4.0 million acres of the 12.4 million that have been shifted out of it in the past 50 years. But whether or not this shift occurs will depend largely on the profitability of land used for grain in relation to its present use.

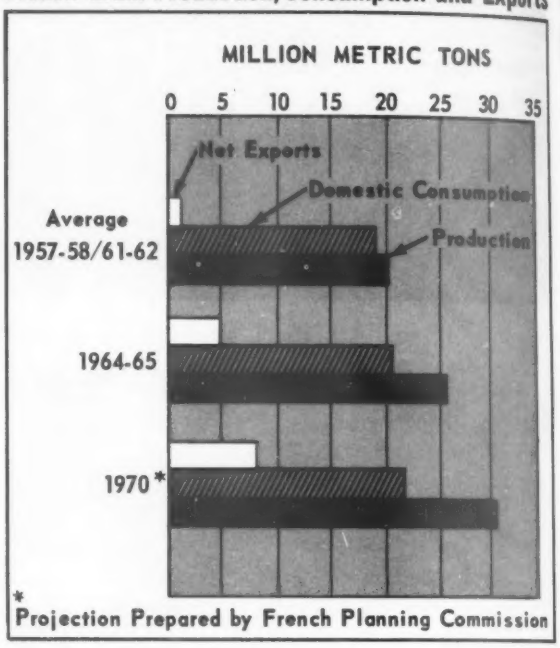
A recent study by a private research organization has thrown more light on the potential expansion of French cereal grains, given the assumption of unified grain prices. This study indicates that approximately 1.7 million acres will shift from present uses to grain production. This production shift assumes that wheat prices may increase 20 percent in the Chartres area (southwest of Paris) and 9 to 10 percent in southwestern France.

France also possesses other tools for increasing grain production—namely, modification of management practices, particularly those pertaining to crop rotation and fertilizer use. Experiments in the northern part of France have shown that grain acreage as a percent of total arable land can reach 80 percent by modifying the crop rotation. At the present time, the Paris area, with a relationship of 58 percent, its most advanced in this respect. Fertilizer use per acre tends to follow the same geographic patterns of intensification as the crop rotations.

Big increase projected

Taking into account future economic growth, grain-livestock relationships, and French management practices, numerous organizations have prepared 1970 projections on French grain production. Shown in the graph at the top of this page is a projection by the French Government Planning Commission in what is generally referred to as the French V Plan. This projection indicates that the 1970 level of grain production may be 2.4 million tons higher than the projection made by the EEC Commission in 1962.

French Grain Production, Consumption and Exports



Whether this 2.4-million-ton increase is realized depends on price relationships between the level of UGP and those for other farm products.

The French wheat policy for 1965-66 is consistent with attaining the UGP. Target prices have been increased from $92.20 per metric ton to $93.73. (Target prices are being increased gradually to avoid any drastic target-price adjustments when the UGP becomes effective.) At the time the target prices were increased, however, the French Government also placed a tax of $1.42 per metric ton on all wheat and barley marketed in an effort to maintain balance between grain and livestock output.

Subsidies may prove problem

Currently, every metric ton of French wheat exported requires a subsidy of approximately $45.00 to make it competitive in world markets. Of this, French farmers are paying as their share of exporting costs $13.00 for every ton marketed over 7.5 metric tons. But when the EEC's Common Agricultural Policy becomes fully effective, the expense of France's grain export subsidies is to be taken over by the EEC financial machinery. Also, as the UGP are adopted, deductions from producer prices, such as export charges and special taxes, will be removed. This is when the most rapid expansion in grain output seems likely.

Wheat sales to EEC

As a wheat market, the EEC has provided only limited opportunities for French wheat. From the base period, 1957-61, through 1964-65, the EEC's total wheat import requirements declined approximately 20 percent, indicating

the general expansion of internal production. During this same period, French wheat shipments to the other five EEC countries increased a modest 14 percent.

(Comparable U.S. wheat export figures to EEC countries show a decrease from 1.4 million metric tons to 0.6 million. This U.S. loss represented 70 percent of the total reduction in world exports to that market.)

The most dramatic French success has been in markets other than the EEC, particularly the Sino-Soviet Bloc. From 1957-61 through 1964-65, exports increased from minor amounts to 1.7 million metric tons. Also, EFTA (European Free Trade Area) countries doubled their French purchases, so that in this period total French wheat exports increased 170 percent—from 1.7 million to 4.6 million metric tons.

Feed grains show rise

French feed grain exports also increased during these years—from 1.3 million to 3.0 million metric tons, a 125-percent gain. Those to the EEC rose 71 percent, from 0.7 million to 1.2 million metric tons, making the EEC the largest buyer of French feed grains. Shipments to EFTA increased 125 percent, from 0.4 million to 0.9 million metric tons. Barley and corn exports, which account for the major share of French feed grain exports, increased 140 percent and 100 percent, respectively.

(By comparison, U.S. feed grain exports to the EEC increased from 4.7 million metric tons in the 1957-61 base period to 7.1 million in 1964-65. This 50-percent rise is approximately the same as that which has occurred in all other U.S. markets.)

In summary, the current outlook is that French grain production will continue to expand, and that France will contribute increasing amounts of wheat for export. The extent and timing of this expansion, however, is uncertain, because of the many factors involved.

Argentina May Shift Burden of Export Earnings to Livestock

After 2 years in which crop production dominated the Argentine agricultural scene, the emphasis now seems to be shifting to livestock products. During that period bumper wheat crops and fair crops of other grains had enabled the country to maintain its exports at a high level in spite of a sharp reduction in exportable surpluses of livestock products.

For the past several months, Argentina has had spectacular success in selling or committing virtually all of its excess supplies of all grains and has done almost equally well in expanding its grain-loading capacity. Regardless of the size of the 1965-66 crop, grain exports will continue to be heavy well into 1966; nevertheless, a downturn is definitely in sight.

Grain situation

The 1965-66 wheat area is 11 percent below that of 1964-65, and yields are almost certain to be down substantially. Production of other small grains will be at or below the low average of the past 5 years. The corn area was expected to rise significantly, but weather conditions at planting time have not been particularly favorable, and the increase may be minimal.

Although weather factors play an important role in this declining trend, economic factors may be equally important. Domestic grain prices have risen far more slowly during the past 2 years than has the general index of prices. Cattle prices, on the other hand, have climbed at a rate that equals or exceeds the general level. Consequently, the buildup in cattle numbers continues to increase, and some of this increase at least will require the diversion of land from grain crops into pastures or forage crops.

The prospects for oilseed crops are better than for grain. The planted area for flaxseed was up 10 percent, and the exportable surplus may be greater than during 1964-65.

Exports of such crops as sugar, cotton, rice, and citrus products are very much in the doldrums currently because production costs have risen so much faster than the rate of exchange reflects. The bulk of these commodities is normally consumed domestically, but collectively they usually make an important contribution to exchange earnings. Only fairly drastic devaluation will do much to stimulate exports of these commodities, and such action is not likely in the near future.

The size of the grain crop, therefore will furnish the key to Argentina's export outlook beyond mid-1966. If it should drop to the 5-year average, supplies will be virtually exhausted before the middle of the 1965-66 crop year, and meat exports will have to take over most of the burden of maintaining a satisfactory level of exchange earnings. Yet even if cattle numbers recover sufficiently to permit such an expansion of beef exports, the necessary demands and prices may not prevail in export markets.

Export prospects

In summary, Argentina has had 2 years during which a combination of exceptionally good wheat crops and high world meat prices has offset the restricting effect on exports of rising costs and an unrealistic exchange rate. The coming year may well present the government with the alternative of accepting a substantially lower level of exports, or taking the necessary measures to once again become competitive in foreign markets, either by reducing costs or by allowing exchange rates to reflect them. —RICHARD S. WELTON

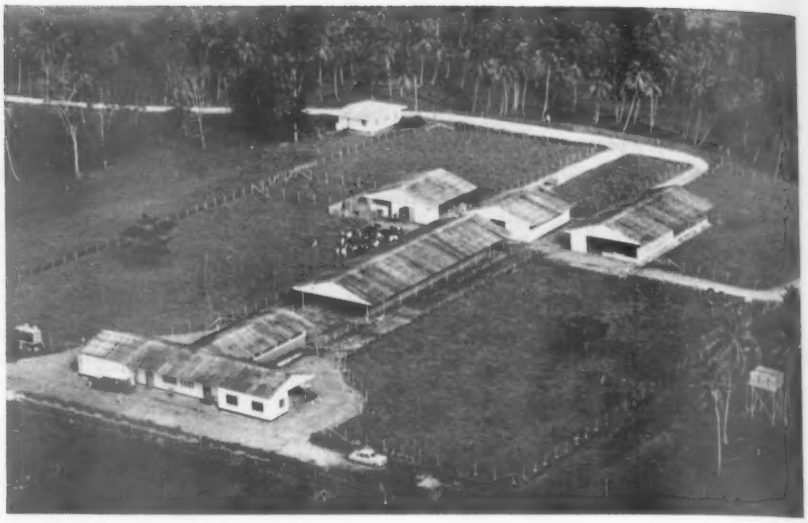
Assistant U.S. Agricultural Attaché, Buenos Aires

Denmark's Exports of Butter and Cheese

Denmark's butter exports increased, but cheese exports declined in the first 9 months of 1965.

Compared with the same period a year earlier, butter exports, at 180 million pounds, were up 6 percent. Of this quantity, 158 million pounds went to the United Kingdom —6 million pounds more than in January-September 1964. West Germany's purchases were up 2 million pounds to 3 million, but most other countries took smaller quantities than a year ago.

Exports of cheese declined approximately 11 percent to 120 million pounds. Reduced shipments to West Germany—from 70 million pounds to 57 million—accounted for most of this decline. Sales to the United Kingdom, Sweden, Italy, Austria, and Belgium were also down from the preceding year.



Pilot beef and dairy farm run by the largest oil company in Trinidad and Tobago provides milk for the firm's employees and conducts tests to determine cattle breeds most suitable for the islands' tropical climate.

Industry Aids Trinidad and Tobago With Farm Development

Trinidad and Tobago, a newly independent nation with a growing population of nearly 1 million, is trying to gear up its agriculture to keep pace with its otherwise progressive economy. Despite an unemployment rate of 14 percent and a rising food-imports bill—$45.9 per capita in 1963 and about $52.9 in 1964—much arable land still lies uncultivated.

Trinidad, most southerly of the West Indies, is less than 10 miles off the coast of Venezuela and compares in size to Delaware (1,864 sq. mi.), while adjacent Tobago covers only 116 square miles. The islands have been jointly administered since they achieved independence in 1962.

Oil industry slows down

Rapid expansion of Trinidad's oil industry has been primarily responsible for the nation's economic progress. In 1964 real per capita gross national product reached $660, second only to that of Venezuela in all of Latin America. But development of the oil industry and, consequently, the overall growth rate have recently slowed down, leading the government toward stepped-up efforts to diversify the economy both industrially and agriculturally.

Diversification of Trinidad and Tobago's agriculture—now based almost entirely on sugar, cocoa, coffee, poultry, and citrus—is aimed primarily at reducing the nation's $45.7 million food-imports bill. Imports of meat, dairy products, fruits, and vegetables would be lowered to the extent that production of these commodities could be expanded on the islands.

Much land unused

Although the climate is favorable to agriculture and there is no particular soil problem, only 330,000 acres of a total area of 1,276,200 acres is in cropland. Sugar estates, employing large numbers of people, occupy 27.7 percent of the land under cultivation. For most of its food production, however, the country relies on what is generally known as Peasant Agriculture characterized by undercapitalization, low yields, and poor farming methods. With much unused land available and land ownership and tenure patterns of little concern, the main problem lies in persuading people to return to the farms they left in favor of industry and in educating them in modern farming methods.

Industry backs government

The islands' oil, sugar, and fertilizer companies are actively supporting government efforts to solve agricultural problems through land reclamation and irrigation, plant research, and the improvement of marketing and credit facilities. The American-owned fertilizer plant pays the salary of a workshop superintendent at the University of the West Indies. The superintendent works in the field laboratory financed by the United Nations Food and Agriculture Organization's Freedom from Hunger campaign and located on the University's farm.

Participation by the oil and sugar companies so far has consisted mainly of basic preliminary studies and practical demonstration trials. A land-capability survey to serve as a basis for land development was found particularly useful in planning Tobago's new agricultural program following extensive hurricane damage.

Oil company operates farms

The major oil company of Trinidad, an American firm, maintains a pilot beef and dairy farm where experiments and tests are conducted to determine the beef and dairy breeds most suitable for Trinidad and Tobago in its expansion of livestock output. The dairy herd has been upgraded, and the farm operates on a paying basis by providing milk for its own and other company camps. Imports from the United States of a Charolais bull and Chabray heifers are also contributing to the growth of the livestock industry, with bull calves sold to farmers and heifer calves retained for herd expansion.

This company also operates a 40-acre Food Crop Demonstration Farm at Valsayn, where the production economics of traditional and new crops is investigated, and

demonstrations are held for farmers and members of agricultural societies. While technical guidance and advice are provided by the University and the Ministry of Agriculture, the oil company pays all operating expenses and employs the resident supervisor.

On lands where the company has surface rights, it has embarked on a citrus project to rehabilitate existing plantations and expand production by planting new trees.

Sugar companies sponsor research

The islands' major sugar companies—all British-owned—have donated the facilities of their Central Agricultural Research Station and their laboratory, one of the most modern in the West Indies. Research is carried on by the Station's staff which includes an entomologist, a plant physiologist, a plant pathologist, and five agronomists.

After developing a new medium of coconut-husk fiber in which Temperate Zone crops could be produced year-around under tropical conditions, the scientists successfully grew yams, pigeonpeas, okra, tomatoes, lettuce, and sweet corn. One objective has been the evaluation of the newer varieties of sweet corn, tomatoes, lettuce, and beans developed in other tropical regions. Most of these are tested on small plots before being planted on a field scale.

Sweet corn is being grown at the Research Station so that its potential for canning and for fresh market use in Trinidad and Tobago can be assessed. Following encouraging results in 1963 with P.R. 50, a variety developed in Puerto Rico, a pilot plot of 1¾ acres was planted in April 1964 and harvested 71 days later. A number of trials using different varieties have shown it is possible to grow three crops of sweet corn a year.

Other food-crop research has shown that the Early Great Lakes and M.R. 52 varieties of lettuce, grown in troughs lined with hollow clay bricks and filled with the new plant-growth medium, bring good yields. Tomatoes planted both in troughs and under field conditions in loam and clay soil brought yields well above the average for tomatoes grown commercially in Trinidad and Tobago. Similar tests were conducted on beans and melon with good results.

Research carried on at the Central Agricultural Research Station is coordinated with government projects to avoid duplication. —Dispatch from BERNARD DE VERTEUIL

Office of U.S. Agricultural Attaché, Port of Spain

Clockwise from above; dairy herd pastures on pangolagrass at oil company's pilot beef and dairy farm; farm's beef herd includes Charloais bull and Chabray heifers imported from Florida; experimental field of pigeonpeas grown for canning.

First U.S. Seed Trade Show in Japan a Success

H. W. Walcott, reporting at the ASTA conference in Missouri last week on the recent Tokyo seed exhibit, cites gains and goals for seed trade with Japan.

The U.S. Seed Exhibit and Seminar held August 16-27 in Tokyo—the first major cooperative effort between the seed industries of Japan and the United States—was acclaimed by all participants an outstanding success.

Approximately 35 members of the U.S. seed industry, plus a number of U.S. Government and university representatives contributed their time and money in promoting what might be considered the biggest and most important international project undertaken by the U.S. seed industry.

The objective of the show was to acquaint our Japanese seed customers with the extensive variety and high quality of forage, flower, and vegetable seeds produced in the United States, which might be adaptable to growing conditions in Japan, as well as in other parts of the Orient. We also emphasized the advantages of producing Japanese brands of seed in the United States for planting in Japan.

Public relations and publicity activities for the show were supervised through the Agricultural office of the U.S. Trade Center. An invitation list totaling nearly 25,000 names, newspaper and magazine articles, and considerable television and radio time publicized the event.

Key people visit show

A total of 1,618 visitors were registered during the 10-day show. A breakdown of this number showed a good percentage were handlers and users of seeds, as well as government officials, and experiment station and university representatives, landscape architects, park and golf club superintendents and horticultural societies.

Seventeen separate seminars, followed by question and answer periods, were held with topics covering all phases of each segment of our industry. An average of 120 people attended each lecture; each person attended an average of three lecture sessions. A member of either the All Japan Seedsmen Union, or the Ministry of Agriculture and Forestry, responded to each lecture. All exhibitors had English-speaking Japanese booth attendants and literature printed in Japanese.

Another important part of the 10-day show were the two separate field trips. A tour through Snow Brand Seeds experimental farm and the National Experiment Station, sponsored by Snow Brands, was followed by a trip to Takii & Co., Ltd., Kyoto, to visit their ultra-modern plant facilities and trial grounds. A number of our group took a trip to the Island of Hokkaido at the close of the show, and visited the Obihiro and Sapporo areas. Several train and bus trips during the 2½ weeks in Japan gave our group an opportunity to observe farming patterns and practices.

The overall response to the exhibits, lectures, and trips was exceedingly favorable, particularly from Japanese Government and seed trade officials. The show's objectives are believed to have been successfully achieved.

Third biggest U.S. seed market

Much of the significance of the show rests in Japan's importance as a U.S. trade partner. After Canada and France, Japan is presently the United States third largest export market for seeds. From a growth potential standpoint, it rates first.

Japan's agriculture has undergone considerable development in the past few decades, with noticeable changes in the rural areas of the country. The young people are leaving the farms to accept more lucrative positions in the cities, and during the past 2 years there has been a shortage of farm workers. Some of the remaining farmers are employed part time in factories. The purchasing power of the Japanese farmer is very good, and his standard of living has improved greatly. Electricity, radios, television, and telephones are used widely.

To encourage further development, the Japanese Government is extending assistance to farmers to produce more fresh vegetables. Japanese livestock production is scheduled to double by 1970, requiring an expanded forage acreage with higher yields. Ever-increasing usage of seed for landscape and turf purposes presents a good market potential. Equally important, Japan is developing a dominant agricultural influence in many Asian and African countries. Being traders as well as agriculturists, the Japanese may re-export much of the U.S. seed to other Far Eastern markets.

Meetings with the Japanese tradesmen and researchers at the show were held in a very relaxed atmosphere, and the confidence established at these "shirt sleeve" sessions cannot help but bear fruit in the future.

Changes in Japan's seed trade

As a result of our observations and contacts, we might anticipate some of the following changes and new ideas incorporated into our future relationship with the Japanese seed trade:

- A shift in the buying habits of the Japanese with the need for greater production per acre. High quality seed will be given more consideration rather than cheaper lower-grade seed. It is expected that the U.S. trade will share this responsibility in upgrading quality standards when making offerings, particularly by explaining the hazards of high weed count in lower purity material.
- A change in the items to be imported into Japan. Because of the exhibits at the show, the Japanese became better acquainted with new high-producing forage crops.
- Accelerated interest in testing some of our new varieties that show

Mr. Walcott, speaking here at seminar, was committee chairman for show and one of panel of U.S.-Japanese experts discussing seed production and trade.

Clockwise from top right, Dr. Ritchie Cowan, seminar speaker, examines golf green planted with U.S. bentgrass seed; Takii Company seed storage; viewing warm-season cabbages on Takii farm, one of Japan's oldest; Sakuya Takii, president of All Japan Seedsmen Union greets visitors to his farm; conference at Trade Center.

promise at both public and private Japanese experiment stations.

- More testing of Japanese varieties in the United States and multiplication for export to the Orient.
- More exchange of technical information between private and public plant breeders in the two countries.
- An awareness on the part of the Japanese of merchandising trends in the United States and Europe and the advantages of proprietary seed marketing. This would include the establishment of exclusive distributorships, especially when private varieties are involved, and sold with a better merchandising approach. This probably will bring U.S. and Japanese wholesale seedsmen on a closer personal as well as trade relationship.

The U.S. Seed Exhibit and Seminar opened the door for a better understanding and closer working relationship between Japan and the United States. Now it is hoped individual U.S. companies will do everything possible to capitalize on the climate which has been created by the show.

Followup necessary

All delegates on this project agree that some form of a followup program should be planned in the next year or two. The most prevalent suggestion is that a group representing all segments of the industry should travel together or in separate commodity teams and present seminar programs in several different geographical areas of Japan. Thus we could understand their needs and problems and spend time with research and experimental personnel.

To summarize, I personally feel the benefits derived from this project exceeded our fondest expectations. It definitely impressed the Japanese, and the groundwork was laid for increased confidence and better future relations with that country. Valuable contacts were made, representations established and business consummated by delegates. We exhibited our sincere sympathy in their quarantine problems, visited their experiment stations, and became better acquainted with their laws and trade practices.

And finally, the U.S. Seed Exhibit and Seminar in Tokyo demonstrated that U.S. seedsmen working in cooperation with the Foreign Agricultural Service can be instrumental in developing international markets for high-quality U.S. produced seeds.

The EXPORT OUTLOOK for U.S. TOBACCO in 1965-66

U.S. exports of tobacco are expected to increase to about 513 million pounds (export weight) in fiscal 1966. This represents a gain of about 30 million pounds over the 1965 level and will approach the 8-year high of 532 million pounds in 1964.

Sales of leaf tobacco and tobacco products make a significant contribution to our balance of payments. During 1965 our sales of leaf and products for dollars amounted to nearly $500 million.

Only about 10 percent of the 480 million pounds of unmanufactured U.S. leaf exported in 1965 moved under special government trade programs. During the past few years, a majority of such sales have been made to developing countries in Asia, Africa, and South America under Title I, P.L. 480 sales for foreign currency.

Our tobacco exports were only 480 million pounds in fiscal 1965. This low level of exports was primarily due to the large 1964 Rhodesian flue-cured crop (326 million pounds) which sold at an auction price of about 30 cents per pound. This was about one-half the U.S. auction price and 37 percent below auction prices of the previous Rhodesian crop. Another adverse factor was the below-normal quality of our 1964 flue-cured crop. Also, larger quantities of oriental leaf were available to world markets.

Improved U.S. quality

Important developments in the period ahead which will help expand sales of U.S. leaf are improved quality, growth in cigarette output in many foreign countries, and greater use of U.S. leaf in several important markets.

Historically, high-quality cigarettes in most countries of the world have been made solely from U.S. leaf or from blends of U.S. leaf with domestic, or other imported, leaf.

However, for several years prior to 1965 farmers had been producing tobacco under the acreage control program which resulted in more emphasis on maximum yields than on quality. Some foreign manufacturers believed the quality of U.S. leaf was not maintaining its usual standard.

In 1965 necessary legislation was passed and growers of flue-cured—which accounts for about 80 percent of U.S. leaf tobacco exports—voted for approval of an acreage-poundage program. Under this program, in which the poundage which a farmer can market is controlled, the farmer can concentrate on improving the quality of his leaf.

The adoption of this program and the results achieved during the 1965 flue-cured season indicate that the United States has taken a giant step forward in improving its position in the export market.

Foreign and domestic manufacturers are enthusiastic about the quality of the 1965 crop. Further improvement expected will assure foreign manufacturers that this country is a dependable source of high-quality leaf.

World cigarette output is a key factor in future trade in tobacco.

World consumers continue to prefer cigarettes made from light tobacco which has an important influence on the use of flue-cured, light air-cured, and oriental tobaccos.

During 1956-63, the rise in world cigarette output over the preceding year averaged about 4.6 percent annually.

Since then, although cigarette production establishes new records each year, the upward trend has slowed somewhat because of the smoking and health controversy in some important consuming countries and because of generally higher cigarette prices.

Nevertheless, world cigarette output in 1964 totaled about 2,526 billion pieces—up 2.8 percent from the 1963 level and a 50-percent rise in the past decade.

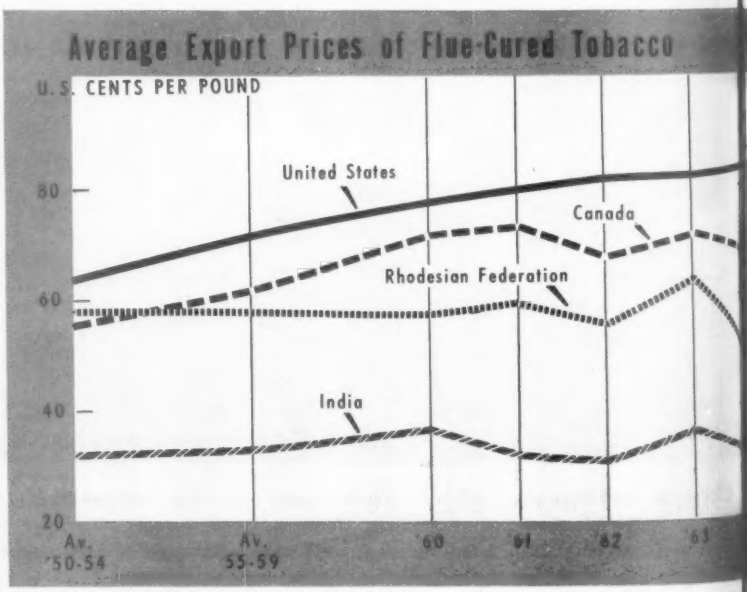
It now appears that world cigarette production during the next few years will rise from 3-4 percent annually—an increase which growing world population and improved economic conditions will help insure. Even at this smaller rate of increase, world output of cigarettes by 1975 is likely to be over 3,000 billion pieces annually.

Obstacles to greater gains

Annual percentage gains in world tobacco trade, however, are not as large. World requirements of leaf tobacco are rising less rapidly than expected, considering the gains in cigarette production. Therefore, prospects for world tobacco trade seem less promising than many assume.

This situation reflects a number of important developments in manufacturing techniques and trends in consumer demand. Bigger output of filter-tipped cigarettes (which require less tobacco per cigarette than the regular kind) and better utilization of supplies by cigarette manufacturers permit production of a larger number of cigarettes from a given quantity of tobacco.

Four countries show considerable



promise as markets for U.S. leaf: West Germany, Japan, Austria, and Thailand. In the latter three, market development has played an important role in the growth of their potential.

West German imports up

West Germany is now the second largest foreign market for U.S. tobacco, ranking after the United Kingdom. Steadily rising cigarette consumption has pushed purchases of U.S. leaf to new highs.

From an output of 88 billion cigarettes in 1963, the number went to over 94 billion in 1964. The rise is continuing in 1965.

Leaf tobacco for cigarettes totaled some 209 million pounds in 1964—up nearly 11 million pounds from 1963. U.S. tobaccos, mainly flue-cured and burley, accounted for about 37 percent. Some 77 million pounds of U.S. tobacco were used in cigarettes in West Germany last year, as well as some 9 million pounds in other tobacco products. This total was well above the 80 million pounds for 1963 and the 77 million for 1962. The outlook is good for another rise in factory consumption of U.S. tobacco in 1965.

Success of Japanese promotion

Japan has been one of the brightest spots in the story of postwar U.S. tobacco exports. Japanese cigarette output totaled some 161 billion pieces in 1964, compared with the 1955-59 average of only 102 billion. Most of the increased sales have been of brands containing substantial U.S. tobacco.

This big gain in cigarette consumption has been reflected in sharply increased use of U.S. tobacco. In 1955, only about 5 million pounds of U.S. leaf were processed in the factories of the Japan Monopoly Corporation, and by 1964 the figure stood at 27 million. This phenomenal increase attests to the growing popularity of brands of cigarettes—Peace, HiLite, and others—which contain U.S. leaf.

This preference for cigarettes containing high percentages of U.S. tobacco has resulted in large measure from a long-term cooperative market development program undertaken in 1956. This program emphasizes television, radio, and magazine ads and has been called by most observers an extremely successful undertaking in the field of foreign market development.

Industry officials in Japan expect the current upward trend in Japanese cigarette consumption to continue, as consumer incomes rise and the smoking population shows further growth.

Austria's "Smart Export"

Factories of the Austrian Tobacco Monopoly turned out about 10 billion cigarettes in 1964, compared with an average of 8.3 billion in 1955-59. As in the case of West Germany and Japan, a high percentage of the leaf used in these cigarettes was of U.S. origin.

A cooperative market development program in Austria has centered on expanding sales of Smart Export, a filter-tipped brand of cigarettes, containing around 50 percent U.S. leaf. In 1964, sales of this brand accounted for about 28 percent of the Monopoly's total cigarette output. It has become the most popular cigarette in Austria, and has achieved wide acceptance in other European countries to which it is exported in sizable volume. The growing demand for Smart Export augurs well for continued substantial shipments of U.S. leaf tobacco to the Austrian market.

Growing market in Thailand

In recent years, Thailand has become a market of increasing importance to the U.S. tobacco grower. This reflects the larger demand for brands of cigarettes containing important percentages of U.S. tobacco.

In 1964, there was a sharp rise in sales of the high-quality brands of cigarettes, virtually all of which contain U.S. tobacco. Such brands include Gold City and Samit.

Practically all of Thailand's tobacco imports come from the United States. In view of the Monopoly's policy of pushing the better-quality brands of cigarettes and the market development work being done, it is likely that imports of U.S. leaf will be made in larger volume in the years ahead.

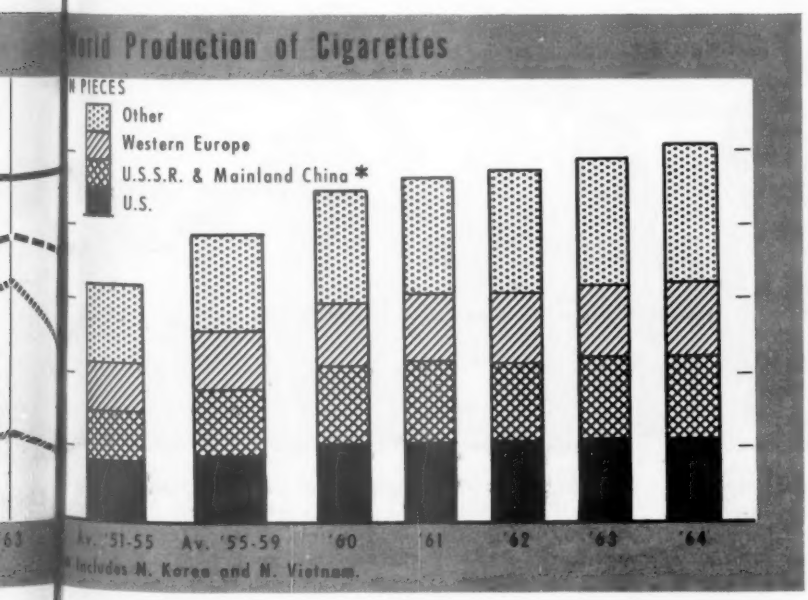
The production policy of foreign producers of flue-cured and burley tobacco—one of expansion—will have a strong impact on future U.S. trade in tobacco.

Rhodesia, which ranks second to the United States as an exporter of flue-cured, produced about 240 million pounds in 1965—plus about 16 million pounds grown in Zambia and sold at auction in Rhodesia. Rhodesia plans to produce about 280 million pounds in 1966. Zambia, which will have its own auctions next year, plans to increase flue-cured production to 40 million pounds as soon as possible. India and Canada also plan to increase production and exports.

The United States still produces about three-fourths of the world's burley. However, in recent years several countries, taking note of increased world demand, have geared their production plans accordingly. Rhodesia has more than doubled production each year since 1963 and plans to produce 7.5 million pounds in 1966.

Zambia and Malawi, which annually produce over 5 million pounds each, plan to expand burley production.

Greece produced only about 3.6 million pounds of burley in 1963 but



was successful in expanding production to 9.4 million pounds in 1965—almost tripling production in this 2-year period. Greece plans to expand production in the period ahead.

Japan produced 28.4 million pounds of burley in 1965, more than triple the 1955-59 average annual level. Japanese burley has found a ready market.

There is one area, particularly, in which the United States has made very little progress in meeting the tobacco export problem. There have been increasing complaints from tobacco importers that prices for U.S. leaf are too high when compared with tobaccos of our competitors. Generally, the United States has competed pricewise with the better qualities of cigarette tobaccos produced abroad; in the medium- and low-quality leaf we have not been able to effectively compete with similar foreign grades.

In the President's farm message of February 4, 1965 he stated "Consideration should also be given to revisions in our programs which will make American tobacco exports more competitive."

World trade in tobacco is expected to increase in the period ahead. The United States should be able to maintain or increase its share of this expanding market if our quality continues to improve and our prices are made more competitive.

U.S. Wheat Team Seeks Key To Increased Sales in Europe

A U.S. grain trade mission of four wheat industry representatives and a USDA official is touring Western Europe's major wheat importing countries to determine how U.S. grain exporters can make increased sales.

Under the joint sponsorship of USDA and Great Plains Wheat, Inc., the mission is visiting the United Kingdom, the Netherlands, France, West Germany, Belgium, and Switzerland—countries which in fiscal 1965 purchased a total of 32.8 million bushels of U.S. wheat.

One of the main objectives of the 4-week trip is to assure European buyers that the United States maintains a continuing interest in their market and has an adequate supply of quality wheat.

In conferences with importers and flour millers, the team hopes to boost wheat sales by determining characteristics buyers seek.

Members of the team are Ken Roden of the Houston Public Elevator; Bob Johnson of the Minneapolis Grain Exchange; Wayne Johnson of the Kansas City Board of Trade; Joe Raley, Great Plains Wheat marketing specialist; and Cliff Pulvermacher of USDA's Agricultural Stabilization and Conservation Service.

Chile, Italy, Spain, and Japan Buy 2,500 Canadian Cattle

Buyers in Chile, Italy, Spain, and Japan have recently purchased some 2,500 Canadian Herefords and Holsteins.

The shipment to Chile of 900 commercial and purebred Herefords represented Canada's largest single sale of this breed to a South American country and its first to Chile. Total cost for both cattle and transportation is estimated at about $300,000.

According to Canada's Department of Trade and Commerce, future purchases depend upon satisfaction with this initial transaction.

Three shipments to Italy totaled 961 head of Canadian Holsteins. In the largest shipment to leave the port of Halifax since World War II, 500 head were transported to Genoa. Fifteen head of purebred Canadian stock went to the Cirio herd in Naples, one of Europe's largest. Of the three bulls in the sale, one had brought top price of almost $9,000 at the 1962 Toronto Royal Winter Fair.

Spain took about 700 registered and grade Holsteins in its record single purchase of that breed from Canada.

Japanese dairy interests paid about $60,000 for seven Canadian Holstein breeders which were shipped via San Francisco with two U.S. bulls.

Japanese Food Agency Officials in United States on Wheat Mission

On a recent wheat mission to the United States, import officials of Japan's Food Agency met in Washington with USDA Undersecretary John A. Schnittker (seated center). Left to right, R. Nannichi, P. Sone (assistant director of Wheat Associates, Tokyo), Y. Fujii, M. Omori, K. Sato, N. Nakadai, Y. Yoshioko (agricultural secretary, Japanese Embassy, Washington, D.C.), and K. Okazaki. By September 30, 1965, midpoint of Japan's fiscal year, the country had purchased a first-half record of 34.6 million bushels of U.S. Hard Red Winter, Western White, and Hard Red Spring.

Japan Anticipates Near-Normal Rice Crop

Official Japanese Government estimates place the country's 1965 brown-rice crop at 12,568,000 metric tons—a yield looked upon as 98 percent of normal (5-year average of 1960-64). The area planted to rice this year was 3,255,000 hectares, a drop of 5,000 hectares from 1964, when production of brown rice totaled 12,584,000 tons.

Japan's Food Agency estimates that imports of short-grain rice in 1965-66 will at least match the 705,000 metric tons imported in 1964-65. Among the top sources are Taiwan, Mainland China, and the United States.

Pakistan's Cotton Exports Lower in 1964-65

Exports of cotton from Pakistan in 1964-65 (August-July) amounted to 485,000 bales (480 lb. net), 30 percent below 1963-64 exports of 689,000 bales, but slightly above average annual exports of 450,000 bales during 1959-63. Exports from Pakistan reached a record 1,273,000 bales in 1952-53 but have been declining since that time, as more cotton has been consumed domestically.

Exports of cotton from Pakistan during the full 1964-65 season, by principal destination and in 1,000 bales, (comparable 1963-64 figures in parentheses) were Mainland China 118 (247), Japan 102 (120), Hong Kong 91 (169), India 47 (0), the United Kingdom 38 (61), France 18 (21), Spain 12 (0), Belgium 10 (12), Poland 9 (0), and Yugoslavia 7 (26).

The 1964-65 crop is now placed at 1,747,000 bales, nearly 200,000 below a year earlier. The 1965-66 crop, now being harvested, may be considerably above last season's crop. Weather and soil moisture conditions have been favorable throughout most of the cotton belt. However, the actual size of the current crop will depend heavily upon the final assessment of crop damage caused during the recent conflict with India.

Cotton consumption in the 1964-65 season totaled a record 1,250,000 bales, compared with 1,150,000 in 1963-64 and the 1955-59 average of 942,000. Consumption in 1965-66 is expected to be about 5 percent above the previous season's level.

Stocks on hand last August 1 were estimated at 300,000 bales, compared with 200,000 a year earlier.

Belgium's Cigarette Output Up

Cigarette output in Belgium during the first half of 1965 totaled 7.5 billion pieces—up 8.7 percent from the 6.9 billion produced in the same period last year. Cigars rose 33.2 percent to 200 million pieces from 150 million, and cigarillos increased 11.9 percent to 551 million from 492 million. Production of smoking mixtures, at 7.9 million pounds, was slightly below the 8.0 million produced during the first 6 months of last year. Also, production of both chewing tobacco and snuff was down from a year ago.

Manufacturers' usings of leaf tobacco during January-June 1965 totaled 35.6 million pounds, compared with 30.4 million for the same period last year. Imported leaf accounted for 92.6 percent of total usings, compared with 91.7 percent last year. Leaf used in the production of cigarettes still represents slightly over 55 percent of the total, followed by smoking mixtures with about 25 percent, cigarillos 11 percent, and cigars 8 percent.

Tunisia's Output of Tobacco Products Up

The manufacture of tobacco products by the Tunisian Tobacco Monopoly during 1964 totaled 7.6 million pounds, compared with 7.4 million for the previous year. The output of all products, except pipe tobacco, showed increases from the preceding year.

Cigarette output last year totaled 2,555 million pieces, compared with 2,489 million in 1963. Production of cigarillos, at 1,240,000 pieces, was up 11.1 percent from the 1,116,000 pieces produced in 1963. Cigars rose to 44,000 pieces from 36,000 for the previous year. The production of snuff amounted to 1,321,000 pounds, compared with 1,217,000 in 1963, whereas pipe tobacco dropped to 631,000 from 697,000.

Barbados Increases Its Cigarette Output

Cigarette output in Barbados during 1964 totaled 349,000 pounds, compared with 319,000 in 1963 and 311,000 in 1962.

Barbados' imports of unmanufactured tobacco last year totaled 337,000 pounds, compared with 345,000 in 1963 and the 1955-59 average of 322,000. Breakdown of imports by country of origin is not available, but the United States, Canada, India, and Rhodesia are the principal suppliers. Imports from the United States consist mainly of flue-cured tobaccos, along with some burley. Imports from Canada and Rhodesia are wholly flue-cured.

Barbados' imports of cigarettes continued downward through 1964, that year totaling 32,300 pounds, compared with 36,800 in 1963 and the 1959 high of 75,900. The United Kingdom and the United States are the principal suppliers.

Seychelles' Cigarette Imports Up

Seychelles' imports of cigarettes during 1964 totaled 10.8 million pieces, compared with 9.2 million in 1963. Imports from the United Kingdom, the principal supplier, rose to 10.6 million pieces from 9.2 million for the previous year, while takings from Rhodesia jumped to 170,000 from 20,400. Imports from the United States amounted to 67,600 pieces, compared with 30,000.

Imports of all other tobacco products last year totaled 1,583 pounds, compared with 1,078 in 1963. The United Kingdom was the supplier of these products.

Ontario's Flue-cured Auctions To Open Soon

The opening date for marketing of the 1965 flue-cured tobacco crop in Ontario, Canada, was November 11, 1965.

Growers have been notified that the three auction warehouses will receive leaf on November 10 for sale the following day. A total of 2 million pounds will be offered the first day and may possibly be raised to 2.5 million daily after marketing gets underway.

Dutch Cigarette Sales Climb

Cigarette sales in the Netherlands for the year ended June 30, 1965, totaled 15.6 billion pieces, compared with 15.0 billion in 1963-64 and 15.7 billion in 1962-63.

Sales of cigars totaled 1,569 million pieces—down almost 9 percent from the 1,722 million sold in fiscal 1963-64. Combined sales of other products continued upward, reaching 23.3 million pounds, compared with 21.2 million in fiscal 1963-64.

Canned Fruit and Juice Prices in London

Selling prices in London (landed duty-paid) of selected canned fruits and juices are given in the following table:

Type and quality	Size of can	Price per dozen units: Oct. 1964	July 1965	Oct. 1965	Origin
CANNED FRUIT					
Apricots:		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Whole, unpeeled, choice	303	2.38	2.38	2.36	U.S.
Halves, choice	2½	--	4.13	4.02	U.S.
Do	2½	3.26	3.34	3.36	Australia
Do	2½	3.04	2.92	3.36	S. Africa
Do	No. 1 (15 oz.)	1.80	1.72	2.06	S. Africa
Standard	2½	3.82	3.41	3.43	U.S.
Halves, in syrup	15 oz.	1.58	1.58	1.41	Spain
Peaches, halves:					
Fancy	2½	3.22	3.31	3.62	S. Africa
Do	2½	3.46	3.41	3.44	Australia
Choice	2½	3.64	3.52	--	U.S.
Do	2½	3.08	3.04	3.36	S. Africa
Do	2½	3.26	3.34	3.36	Australia
Standard	2½	3.52	3.36	--	U.S.
Pears, halves:					
Fancy	2½	3.50	3.52	3.62	S. Africa
Do	2½	3.57	3.55	3.64	Australia
Choice	2½	4.60	4.72	--	U.S.
Do	2½	3.36	3.26	3.36	S. Africa
Do	2½	3.40	3.34	3.36	Australia
Fruit cocktail:					
Choice	303	2.59	--	2.94	U.S.
Do	8 oz.	1.49	--	1.70	U.S.
Do	15 oz.	2.00	--	2.10	Spain
Grapefruit sections:					
Fancy	303	--	2.52	2.52	U.S.
No. 2	20 oz.	2.62	2.62	2.76	Israel
Quality not specified	20 oz.	2.29	2.45	2.45	West Indies
Pineapple:					
Slices:					
Fancy	2½	--	3.40	3.91	U.S.
Do	16 oz.	--	1.52	1.64	S. Africa
Choice	2½	--	3.73	3.64	U.S.
Do	2½	3.22	--	--	Formosa
Do	2	--	2.80	2.73	U.S.
Spiral, standard	GAQ (20 oz.)	1.92	1.89	1.86	Malaya
RC, standard	GAQ (16 oz.)	1.72	1.69	1.73	Malaya
CANNED JUICE					
Orange, unsweetened	43 oz.	4.52	4.52	4.52	Israel
Do	19 oz.	2.00	1.96	1.96	Israel
Do	46 oz.	--	3.70	3.70	U.S.
Do	No. 2	--	1.58	1.58	U.S.
Grapefruit, unsweetened	19 oz.	1.94	1.90	1.90	Israel
Grapefruit, sweetened	No. 2	--	1.58	1.58	U.S.
Do	No. 2	--	1.92	1.92	West Indies

Thailand's Sugar Exports Up

Exports of sugar from Thailand during January-June 1965 amounted to 52,000 metric tons (57,320 short tons), and for the full calendar year they could reach a record 88,000 metric tons (97,000 short tons). Foreign exchange earnings from sugar will be only about one-third of the 1964 figure, however, as prices are much lower this year.

Ceylon recently agreed to purchase 10,000 metric tons (11,000 short tons), of sugar at a price of US$54.39 per metric ton (2.47 U.S. cents per lb). This amount, added to the 13,500 metric tons (14,881 short tons) of barter sugar for Vietnam, will reduce materially Thailand's large sugar surplus.

Angola To Erect New Sisal Rope Factory

An Angolan firm, *Companhia de Fiacao e Cordoaria de Angola (Cofiang),* plans to begin construction of a sisal rope factory in November 1965. The total investment of about $1.4 million is furnished principally by persons prominent in the sisal-growing industry. The value of annual production is forecast by the firm at about $3.5 million. The factory will use Angolan sisal for its raw material.

Angola ranked fourth in world production of sisal in 1964, with 147.7 million pounds. Exports totaled 126.2 million pounds, or 85 percent of the year's crop. In 1962-64 the United States imported an annual average of 1.8 million pounds of raw sisal fiber, valued at more than $155,000, from Angola.

Nigeria's Purchases of Palm Products

The Regional Marketing Boards of the Federation of Nigeria, as of September 23, had purchased 330,778 long tons of palm kernels and 140,698 of palm oil (all grades). Purchases of palm kernels and palm oil through September 24, 1964, totaled 315,015 and 127,092 tons, respectively.

Togo's Exports of Palm Kernels

Palm kernel exports from the Republic of Togo during the first 6 months of 1965 totaled 8,016 metric tons compared with 7,324 in January-June 1964.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

September exports of *soybeans* from the United States declined from the previous month to only 4.8 million bushels, reflecting tight supplies from 1964 crop beans. This was the smallest since January, when the U.S. dock strike was in effect. Cumulative exports from October 1, 1964, through September 1965, at 205.9 million bushels, were about 8 percent above those in 1963-64.

Edible oil exports in September dipped to 145.9 million pounds from 189.1 million in August. Cumulative exports, which approached 2.0 billion pounds, exceed those in 1963-64 by about 18 percent. Soybean oil exports accounted for more than three-fourths of the gain from a year ago. Spain, the major market, increased its takings because of the sharply reduced oil outturn from 1964-crop olives. Pakistan and India also imported substantial volumes as a result of reduced domestic rapeseed output.

In September, *cake and meal* exports from the United States amounted to 133,000 short tons, or about the same as those in August. In the October-September period, cumulative exports, at about 2.27 million tons, were 42 percent above the 1.6 million exported in 1963-64. Soybean meal exports, accounting for about 90 percent of the total, gained by 557,500 tons. Although France was indicated to have been the largest importer, imports by West Germany showed the largest gain—nearly 90 percent above those in the previous year. Exports of cakes and meals

to Spain declined, reflecting sharply increased takings of soybeans, as such.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and country of destination	Unit	September		October-September	
		1964[1]	1965[1]	1963-64[1]	1964-65[1]
SOYBEANS					
Japan	mil. bu.	2.7	1.7	44.8	48.4
Canada	---do.---	1.8	.7	31.8	33.9
Netherlands	---do.---	1.9	.7	22.9	26.9
Germany, West	---do.---	1.3	.4	28.6	22.4
Denmark	---do.---	---	---	9.1	13.3
Other	---do.---	3.4	1.3	54.0	61.0
Total	---do.---	11.1	4.8	191.2	205.9
Oil equiv.	mil. lb.	122.2	53.1	2,098.9	2,260.6
Meal equiv.	1,000 tons	261.6	113.6	4,492.2	4,838.2
EDIBLE OILS					
Soybean:[2]					
Spain	mil. lb.	---	20.4	---	231.4
Pakistan	---do.---	9.0	---	119.9	188.8
India	---do.---	---	14.5	.2	130.5
Morocco	---do.---	6.6	6.6	45.9	76.1
Iran	---do.---	7.4	.6	71.1	70.4
Greece	---do.---	9.8	---	16.5	51.4
Israel	---do.---	1.2	---	20.7	42.6
Argentina	---do.---	---	---	(3)	40.1
Canada	---do.---	2.3	2.0	31.3	39.0
Turkey	---do.---	8.8	---	106.3	34.6
Other	---do.---	79.7	45.8	674.7	273.6
Total		124.8	89.9	1,086.6	1,178.5
Foreign donations[4]	---do.---	---	25.3	[5] 18.7	[5][6] 158.3
Total soybean oil	---do.---	124.8	115.2	1,105.3	1,336.8
Cottonseed:[2]					
Germany, West	---do.---	8.1	---	110.6	144.2
United Arab Rep.	---do.---	---	1.5	77.0	60.6
Netherlands	---do.---	---	---	69.6	52.3
Iran	---do.---	(3)	---	32.0	48.8
Canada	---do.---	2.0	2.5	32.9	43.4
Mexico	---do.---	1.0	9.5	2.1	41.8
Morocco	---do.---	---	6.8	6.6	36.1
Venezuela	---do.---	1.9	3.2	27.2	28.7
Pakistan	---do.---	.4	---	29.7	20.7
India	---do.---	---	6.9	---	16.4
Vietnam	---do.---	(3)	---	.9	8.4
Other	---do.---	30.3	.2	162.3	58.0
Total	---do.---	43.7	30.6	550.9	559.4
Foreign donations[4]	---do.---	15.4	.1	[5] 33.0	[5][6] 91.5
Total cottonseed oil	---do.---	59.1	30.7	583.9	650.9
Total oils	---do.---	183.9	145.9	1,689.2	1,987.7
CAKES AND MEALS					
Soybean:					
France	1,000 tons	14.8	14.4	247.0	358.4
Germany, West	---do.---	30.5	30.8	160.9	300.7
Canada	---do.---	24.4	17.0	210.3	249.4
Netherlands	---do.---	16.9	6.5	141.1	245.2
Belgium	---do.---	16.3	9.8	126.3	177.0
Italy	---do.---	3.8	2.7	74.4	143.2
Denmark	---do.---	9.4	---	93.1	110.9
Yugoslavia	---do.---	12.1	---	77.6	108.9
Spain	---do.---	11.8	8.6	161.1	77.9
Other	---do.---	12.1	14.6	186.7	264.4
Total	---do.---	152.1	104.4	1,478.5	2,036.0
Cottonseed	---do.---	4.3	5.3	54.3	138.8
Linseed	---do.---	24.5	23.0	61.3	72.8
Total cakes and meals[7]	---do.---	184.4	133.0	1,598.4	2,267.7

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Title III, P.L. 480. [5] Estimated by USDA, includes salad oil and oil in shortening. [6] October-December estimated by USDA. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

Tung Oil Shipments From Buenos Aires

Shipments of tung oil from Buenos Aires in September increased to 1,420 short tons from 227 in August. About two-thirds of the total was indicated to have been destined for the United States.

Cumulative shipments so far in the 1965-66 marketing year, at 1,647 tons, are significantly below those in the comparable period of 1964-65. Total exports in 1965-66 are expected to be substantially below those in recent years, reflecting sharply reduced tung nut harvests in Argentina and Paraguay from the 1964-65 crop.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	August	September		August-Sept.	
	1964[2]	1964	1965[2]	1964	1965[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	---	757	316	977	316
To other countries[3]	122	963	435	1,163	557
Total	122	1,720	751	2,140	873
Paraguay:					
To United States	105	220	661	220	766
To other countries[3]	---	5	8	12	8
Total	105	225	669	232	774
Total:					
To United States	105	977	977	1,197	1,082
To other countries[3]	122	968	443	1,175	565
Grand total	227	1,945	1,420	2,372	1,647

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipments data, Boletín Maritimo, Buenos Aires.

India To Harvest Less Oilseeds in 1965-66

Production of the five major oilseed crops in India during 1965-66 is unofficially forecast at 7.37 million metric tons—14 percent below the record production of 8.55 million last year and one-fourth below the third 5-year plan (1961-62/1965-66) target of 9.96 million tons.

These crops, which occupy about one-tenth of cultivated area, account for nearly 90 percent of the vegetable oil production in that country. The expected decline reflects reduced moisture in Gujarat and other areas, which may significantly reduce peanut yields.

Prices for oilseeds, which declined in the first quarter of 1965 because of the improved supply situation and restriction on exports, have been rising since then. The rise reflects prospects of reduced supplies this season, together with an ever increasing domestic demand.

INDIA'S PRODUCTION OF MAJOR OILSEEDS

Item	Average 1956-57/60-61	1962-63	1963-64	1964-65	Forecast 1965-66
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Peanuts (in shell)	4,656	4,821	5,215	6,176	5,000
Sesameseed	400	464	439	466	465
Rape and mustardseed	1,087	1,294	902	1,375	1,350
Flaxseed	390	433	385	430	450
Castor	106	101	102	101	103
Total	6,639	7,113	7,043	8,548	7,368

Nigeria's Peanut Stocks Down, Crushings Up

Peanut stocks from Nigeria's 1964 crop as of August 26 were 205,535 long tons against 262,629 tons for the comparable date last year, according to the licensed buying

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agents for the Northern Nigerian Marketing Board. Crushings as of August 26 were 194,194 tons compared with 167,620 tons a year earlier.

Shipments to port by rail amounted to 157,791 tons (256,774 in 1964), while truck shipments were 119,149 tons (99,690).

Peanut purchases for export and crushing from the 1964 crop were 678,935 tons, including 2,138 tons in the Eastern Region, compared with 786,727 tons last year. Shipments during January-June 1965 as reported by the Marketing Board were 236,200 tons valued at US$42.7 million, compared with 253,600 tons valued at US$39.1 million in the first 6 months last year.

Japanese Port Improvement Requested

Increasing imports of several commodities coming into Japan's already congested port areas have prompted three major trade groups to present an urgent appeal for government assistance in improving port facilities.

The Grain Importers Association, the Feed Grain Importers and Exporters Association, and the Fats and Oils Importers and Exporters Association presented the request to Japan's Ministry of Transportation. They stressed that modernization, expansion, and improvement of all facilities are necessary.

Japan imported 5.9 million metric tons of feed grains, food grains, and soybeans in 1961 but by 1964 the total had exceeded 10.2 million tons. A further expansion is expected in 1965. In addition to the growth in imports of these commodities, there have been sharp increases in imports of other agricultural and non-agricultural commodities, and the crowded ports have grown worse each year.

Recently, Japan started chartering large tankers to carry grains in bulk. However, as with other bulk carriers, unloading is extremely slow, and savings in ocean freight for tankers is almost offset by this slowness in unloading. Much of the bulk cargoes of grains and soybeans is unloaded into lighters in the harbor since berths are not available anywhere in Japan.

Malawi's First Economic Plan Underway

When the Federation of Rhodesia and Nyasaland split up, Nyasaland took the name of Malawi and in July 1964 declared itself a sovereign nation within the British Commonwealth. Malawi now has just completed its first crop year since independence, and present indications are that it is a favorable one.

Except for tea, the country's second largest export crop, production in most areas was higher than the year before. Peanut output—third-ranking export—is expected to be the second largest on record. Forecasts for corn, pulses, and rice indicate bigger harvests than in 1964. Seed cotton estimates point to a crop approximating the record output of 1962, and the volume of all types of tobacco offered for sale this season was above that of a year ago. (Tobacco is the No. 1 export.) Root crops as well as fruits and vegetables were also in good supply throughout the year.

The smallest of the three countries that made up the Federation, Malawi depends almost entirely on its agriculture, since it has little industry and few mineral resources. Currently underway is the country's first 5-year plan, which calls for an expenditure of nearly $125 million, financed mostly by the United Kingdom, the United States, and West Germany.

The overall aim of the plan is to raise Malawi's GNP by about $30 million, of which almost $20 million would be increased export earnings, by 1970. The agricultural targets to be achieved by 1970 include: Self-sufficiency in sugar production, a doubling of cotton output, a 50-percent increase in peanuts, and a 33⅓-percent increase in corn; and expansion of tobacco production, particularly Turkish tobacco.